The Smart Choice for Conversational AI: Build vs Buy

In the fast-paced world of digital transformation enterprises face the pivotal decisions of 'build vs. buy,' particularly when it comes to implementing a Conversational AI Assistant. Below we take a look at the critical considerations of this decision, highlighting why purchasing an off-the-shelf solution is often the smarter choice for most organizations.

There is a long history of failed internal application development - across all companies:

- **Fact:** the majority of internal projects run over **189% of the original cost.**
- **Fact:** 1/3 of all **internal projects will be terminated before they are completed**.
- **Fact:** in large organizations, **only 9% of internal projects come in on-time and on-budget**.

Source: The Chaos Report

Understanding the Build vs. Buy Dilemma

When a company decides to implement a Conversational AI Assistant, they stand at a crossroads: should they invest in building a custom solution with in-house development (or PS firm) from the ground up or should they buy a pre-existing, market-ready product?

Both paths have their merits and drawbacks.

By the Numbers

Average cost to create a single Conversational AI App (e.g. Time Off, Pay) **$30K-$90K**	Average number of hours to build a single Conversational AI App **100-500 Hours**	Hours of creating a single Workgrid AI Assistant App **10-20x Faster**	Total savings of leveraging Workgrid for Conversational AI development use cases **$1.5-$3M**
Average number of apps integrated into a Conversational AI Assistant **10-30 Apps**	Average number of FTEs required to build and maintain single pro-code application **3-8 FTEs**	Total projected benefit for organizations above 10K users **$9M-$20M+**	

Collected across customer deployments and industry reports.

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Pros:

1. Customization | Tailor-made to fit specific business needs and finite user interactions.

2. Control | Complete control over the assessment, scope, development process, build, updates, security, and perpetual R&D.

Cons:

1. Resource Intensive | Requires significant time, skilled manpower, and financial resources.

2. Longer Time-to-Deployment | Development and testing phases can prolong deployment.

3. Maintenance & Updates | Continuous need for updates and maintenance.

4. Support | Is managed entirely in-house by dedicated SMEs who built the platform.

Pros:

1. Cost-Effective | Generally, more affordable than building from scratch as development and operational expenses are minimized.

2. Quick Deployment | Allows businesses and various departments to implement the AI Assistant rapidly across populations.

3. Proven Reliability | Pre-tested and refined based on broad customer feedback and use cases.

4. Ongoing Support & Updates | Regular updates and support from the provider with deep knowledge of the product.

5. Scalability | Easily scales with business growth.

Cons:

1. Potential Limits | May not fully align with niche business requirements.

2. Dependence on Vendor | Reliant on the vendor for further advancement of product updates.

Why Buying is Often the Better Choice

For most businesses, purchasing a Conversational AI Assistant emerges as the preferable option. Here's why:

Cost and Time Efficiency

Building a bespoke solution is a significant investment. It's not just about the initial development; ongoing maintenance and updates add to perpetual operational cost. In contrast, buying a ready-made solution is more cost-effective, with a predictable expense model.

Access to Advanced Technologies

Purchased solutions often come with the latest technologies and build best-practices. Features are added and regularly updated by the vendor. Building advanced capabilities in-house requires substantial expertise, time, and resources.

Focus on Core Business

By opting to buy, companies can focus their valuable resources on their core business operations instead of diverting attention to developing and maintaining a complex AI system.

Reduced Risk

Off-the-shelf products have been tested across diverse scenarios, reducing the risk of failure. In contrast, a custom-built solution bears the risk of unknown challenges and potential inefficiencies.

Quick Deployment and Immediate ROI

Time is a crucial factor. Off-the-shelf solutions can be deployed rapidly, enabling businesses to see an immediate return on investment (ROI) of their AI platform in a span of hours vs. months/years leveraging in-house development.

While building a Conversational AI Assistant in-house offers customization and control, **the advantage of buying an off-the-shelf solution wins out.** The cost-effectiveness, quick deployment, access to advanced technology, reduced risk, and the ability to focus on core business tasks make it a compelling choice for most businesses. As the market for Conversational AI Assistants continues to evolve, choosing a reliable and proven off-the-shelf product is not just about convenience; it's a strategic business decision.

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